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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON**

UNITED STATES OF AMERICA,

No. CR 08-283-01 (KI)

v.

KRISTEN BUSE,

**GOVERNMENT'S SENTENCING
MEMORANDUM
(Hearing - February 2, 2009 @ 9:30 a.m.)**

Defendant.

The United States of America, by and through undersigned counsel, hereby submits this sentencing memorandum.

Pursuant to a plea agreement executed on June 11, 2008 between the government and defendant, and a subsequent modification of that agreement on or about October 2, 2008, the parties jointly request that defendant be placed on three years of probation, with twelve months home confinement and a requirement of 200 hours of community service. The government believes that this sentence is appropriate and consistent with the factors set forth in 18 U.S.C. § 3553(a). As set forth in Part 3, the government disagrees with the PSR recommendation to limit punishment to 100 hours of community service.

1. Statement of facts:

The government agrees with the statement of facts as articulated in the presentence report.

Ms. Buse was hired as a loan processor by Lighthouse Financial Group in 2004. In this capacity, she would fill out various loan related forms such as a residential loan application, certificate of occupancy and verification of employment. Many of the loan applications Ms. Buse processed were materially false in one or more respects.

As reflected in the one count information filed on June 17, 2008, Ms. Buse was a loan processor in a transaction related to the acquisition of a property located at 5831 SE Raymond St., Portland, Oregon, for the sum of \$219,000. That application, which was submitted to Millennium Mortgage on April 12, 2006, was materially false in a number of respects. It resulted in the sale of the property to the buyers for \$219,000 and the wire transfer of \$174,816.56 from the lender, First Collateral Services of Concord California, to Chicago Title at U.S. Bank, Oregon.

2. The Appropriate Sentence:

Pursuant to paragraph six of the plea agreement, the parties agreed to jointly recommend a sentence of 12 months home confinement and 500 hours of community service, as part of a sentence of three years probation. Based upon the suggestion of the probation office, the parties have agreed to reduce the recommendation for community service to 200 hours.

Ms. Buse has provided substantial assistance to the government in its investigation in various fraudulent loan activities involved at Lighthouse Financial. This includes the indictment of and sentencing of Marty Ray Folwick, CR 08-280, under which this court sentenced the

defendant, Mr. Folwick, to 63 months imprisonment and ordered restitution of over \$300,000.

Ms. Buse has fully accepted responsibility for her unlawful activities, and more importantly, pursuant to Guideline § 5k 1.1, she has provided sufficient substantial assistance to the government to its ongoing mortgage fraud investigation such that a downward departure to a sentence of three years probation, 12 months home confinement, and 200 hours community service is warranted.

3. Disagreement with Probation and the PSR:

The government disagrees with the recommendation of Probation in the PSR that the condition of home confinement be eliminated and that community service be limited to 100 hours. With all due respect to Probation, limiting punishment to 100 hours of community service does not adequately reflect the gravity of the offense. Ms. Buse, as a loan processor at Lighthouse, was instrumental in the extensive mortgage fraud committed by Marty Folwick.

Dated this 27th day of January, 2009.

Respectfully submitted,

KARIN J. IMMERMUT
United States Attorney
District of Oregon

s/ Allan M. Garten
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Assistant United States Attorney
Senior Litigation Counsel